



January 18, 2005

Mr. Brad C. Deutsch, Assistant General Counsel  
Federal Election Commission  
999 E Street, NW  
Washington, DC 20463

**RE: PAYROLL DEDUCTIONS BY MEMBER CORPORATIONS FOR  
CONTRIBUTIONS TO A TRADE ASSOCIATION'S SEPARATE  
SEGREGATED FUND; NOTICE OF PROPOSED RULEMAKING**

Dear Mr. Deutsch:

The National Association of Wholesaler-Distributors (NAW) appreciates this opportunity to comment on behalf of its Wholesaler-Distributor Political Action Committee (WDPAC) in support of the Commission's proposal to amend its regulations "to permit a corporate member of a trade association to provide incidental services to collect and forward contributions from its restricted class employees to the SSF (separate segregated fund) of the trade association, including a payroll deduction or check-off system, upon written request of the trade association." (69 *Fed. Reg.* 76628-9, 2004.)

NAW is the national voice of wholesale distribution, comprised of direct member companies and a federation of 115 national, regional, state and local associations and their member firms which, collectively, total approximately 40,000 companies operating at some 150,000 places of business, with locations in every state of the union.

The Commission's Notice of Proposed Rulemaking (NPRM) promulgated in the December 22, 2004 *Federal Register*, points out that current regulations "prohibit any corporate member of a trade association from using a payroll deduction or check-off system for employee contributions to the trade association's SSF" (69 *Fed. Reg.* 76628, 2004), while acknowledging that "(I)n recent years, the Commission has given corporations some latitude in collecting and transmitting contributions to a trade association's SSF" which include certain electronic transfers of funds. (See 69 *Fed. Reg.* 76629, 2004.) The NPRM later acknowledges that Commission regulations "permit payroll deductions of contributions to corporate and labor organization SSFs." (69 *Fed. Reg.* 76631, 2004) The enactment of the proposed amendment will be both consistent with recent Commission actions which facilitate the collection and transmission of voluntary contributions to a trade association's SSF from the corporation's restricted class employees, and fair in balancing the treatment of trade association SSFs with those of corporations and labor organizations. It is important to note that these desirable outcomes will be achieved without in any way liberalizing prior approval requirements and restrictions (an issue NAW would like to see pursued in a subsequent rulemaking) or affecting the restricted class employees.

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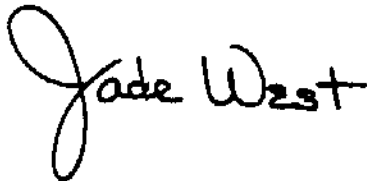
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NAW knows of no policy rationale underlying the current prohibition. Quite the contrary, enactment of the Commission's proposal will simply allow political action committees associated with trade associations to join their corporate and labor organization colleagues in modernizing their fund raising capabilities. In this regard, the NPRM acknowledges "the growing prevalence of electronic payroll deductions in the workplace, the large number of employees who currently use payroll deductions and the variety of goods and services paid through payroll deductions" (69 *Fed. Reg.* 76630, 2004), and describes payroll deductions as "widely available, reliable, simple to administer, convenient and imposing minimal or no cost on the corporations that offer them." (60 *Fed. Reg.* 76631, 2004)

Consequently, NAW is pleased to support enactment of the Commission's proposal as one that will enhance participation in the political process.

Thank you for your consideration of NAW's views.

Respectfully submitted,

A handwritten signature in black ink that reads "Jade West". The signature is written in a cursive, flowing style.

Jade C. West  
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